

STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In The Matter of

PETPARTNERS INC, DBA PPI PET
INSURANCE AGENCY,

Licensee.

Order No. 14-0198

WAOIC NO. 226508

FEIN NO. 13-4211703

CONSENT ORDER
LEVYING A FINE

This Consent Order Levying A Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.17.530 and RCW 48.17.560, and Licensee, PETPARTNERS INC., DBA PPI Pet Insurance Agency.

BASIS:

1. PETPARTNERS INC (PETPARTNERS) is a North Carolina corporation that holds a nonresident insurance producer's license, WAOIC # 226508. PETPARTNERS' principal place of business is in Raleigh, North Carolina. PPI PET INSURANCE AGENCY is a registered dba of PETPARTNERS.

2. PETPARTNERS is in the business of selling pet insurance and is licensed for the lines of property and casualty insurance. Pet insurance is categorized as inland marine, property insurance. PETPARTNERS is an appointed producer with American Pet Insurance Company, Inc. (WAOIC # 187058).

3. Between November 1, 2012, and June 1, 2013, PETPARTNERS employed at least twenty-three (23) employees, of which, twenty-two (22) of the employees were not licensed by the Office of Insurance Commissioner. During this period of time, PETPARTNERS employees sold approximately one hundred and eighty-four (184) pet insurance policies to Washington consumers on behalf of American Pet Insurance Company, Inc. Of these one hundred and eighty-four (184) policies sold, only one (1) policy was issued by a licensed PETPARTNERS employee. One hundred and eighty-three (183) policies were sold by unlicensed PETPARTNERS employees.

4. Between November 1, 2012, and June 1, 2013, unlicensed PETPARTNERS employees sold approximately one hundred eighty-three (183) pet insurance policies to Washington consumers with a total written premium of \$116,570.66. PETPARTNERS' practice of selling, soliciting and negotiating insurance in the state of Washington through unlicensed producers is ongoing.

5. RCW 48.17.530 authorizes the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license for knowingly accepting insurance business from a person who is required to be licensed under this title and is not so licensed, other than orders for issuance of title insurance on property located in this state placed by a nonresident title insurance agent authorized to act as a title insurance agent in the title insurance agent's home state.

6. RCW 48.17.530 and RCW 48.17.560 authorize the Insurance Commissioner to impose fines for violations of the insurance laws and rules of the State up to \$1,000 for each instance of accepting insurance business from an unlicensed person.

7. By knowingly accepting insurance business from unlicensed employees who were required to be licensed under RCW Title 48 and are not so licensed, PETPARTNERS violated RCW 48.17.530(1)(i), justifying the imposition of a fine.

CONSENT TO ORDER:

The Insurance Commissioner of the state of Washington and PETPARTNERS agree that the best interest of the public will be served by entering into this Order. NOW,

THEREFORE, PETPARTNERS consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the PETPARTNERS' payment of a fine, and upon such terms and conditions as are set forth below:

1. PETPARTNERS acknowledges its duty to comply fully with the applicable laws of the state of Washington.

2. PETPARTNERS consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.

3. By agreement of the parties, the Insurance Commissioner will impose a fine of \$20,000.00 (Twenty Thousand Dollars) and suspend \$10,000.00 (Ten Thousand Dollars) on the conditions that:

a. PETPARTNERS pays \$10,000.00 by **May 4, 2015**; and

b. PETPARTNERS commits no further violations of insurance statutes and/or regulations for a period of two years from the date this Order is entered.

4. The suspended portion of this fine will be imposed at the sole discretion of the Insurance Commissioner according to the conditions as set forth above, without any right to hearing, appeal or advance notice. The suspended portion of the fine will be paid within thirty (30) days of the entry of an Order imposing it. Failure to pay the suspended portion of the fine when imposed shall constitute grounds for revocation of the PETPARTNERS' nonresident insurance producer's license.

5. PETPARTNERS understands and agrees that any future failure to comply with the statutes that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.

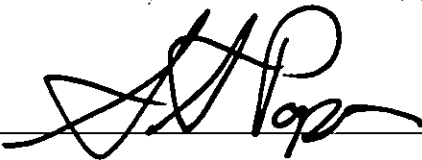
6. PETPARTNERS' failure to pay the unsuspended portion of the fine by **May 4, 2015**, shall constitute grounds for revocation of the PETPARTNERS' nonresident insurance producer's license, and shall result in the recovery of both the suspended and unsuspended

amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the state of Washington.

7. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving PETPARTNERS. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this 28th day of APRIL, 2015.

PETPARTNERS INC, DBA PPI PET INSURANCE AGENCY

Signature:  **STEPHEN J. POPOVICH**
Title: CEO

AGREED ORDER

Pursuant to the foregoing Basis and Consent to Order, the Insurance Commissioner hereby Orders as follows:

1. PETPARTNERS shall pay a fine of \$20,000.00 (Twenty Thousand Dollars), of which amount the sum of \$10,000.00 (Ten Thousand Dollars) is suspended on the condition that PETPARTNERS fully complies with the statutes of the state of Washington which are the subject of this Order for the next two years. Receipt of which is hereby acknowledged by the Insurance Commissioner.

2. PETPARTNERS' failure to timely pay the unsuspended portion of the fine by **May 4, 2015**, shall result in the revocation of the PETPARTNERS' nonresident insurance producer's license and in the recovery of both the suspended and unsuspended amounts of the fine through a

civil action brought on behalf of the Insurance Commissioner by the Attorney General of the state of Washington.

3. PETPARTNERS understands and agrees that any future failure to comply with the insurance regulations and statutes constitutes grounds for further penalties, which may be imposed in direct response to further violation.

4. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving PETPARTNERS. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppels effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED this 1ST day of May 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



MANDY WEEKS
Insurance Enforcement Specialist
Legal Affairs Division